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SUBJECT: CZECH SENATE AND LOCAL ELECTIONS - POSSIBLE IMPACT ON PARTY LEADERSHIP, TIMING AND COMPOSITION OF NATIONAL GOVERNMENT

- $\P1$. (SBU) SUMMARY. One third of the Czech Senate,s 81 seats will be contested in two rounds of voting October 20-21 and 27-28. The right-of-center Civic Democrats (ODS), which won the June 2-3 general election, will defend ten seats, more than any other party. While it has the most to lose, ODS is still expected to do the best in the Senate elections, possibly securing a majority of the chamber. The Christian Democrats, who are reeling from leadership problems and sliding popularity, will defend seven seats and are expected to lose several of them. The Social Democrats are only defending one seat and hope to gain ground on ODS, though CSSD is expected to receive less support than it did in June. The Greens, who only became a parliamentary party in the June election, and who are not defending any seats, might also make significant gains. The first round of the Senate vote will coincide with elections in cities and towns, including the capital Prague, where ODS is heavily favored. It remains to be seen whether the elections will lead to any dramatic developments that help break the political stalemate the country has been squeezed into since the June poll, or whether the elections will be little more than a sideshow, after which the two main parties ODS and CSSD will return to back-room discussions on some form of power sharing. End summary.
- 12. (U) The Czech Senate has only existed since 1993. The immediate need for the body can be traced to the dissolution of the Czechoslovak Federal Assembly and the desire to find places for its members. Partisan squabbles kept the Senate from being constituted for three years, leaving much of the public feeling that the body served little purpose. When elections were finally held in 1996, turnout was roughly 30%. In the second round of the 2004 Senate elections, turnout in many districts was in the low to mid teens. Candidates to the Senate must be 40, whereas candidates to the Chamber of Deputies need only be 21, also contributing to the notion that the Senate is a club for retirees and has-beens.
- 13. (SBU) The Czech Senate has relatively few powers and is by far the weaker of the two legislative bodies. It can veto bills passed by the lower house, but that veto can be overridden by a simple majority of those present in the Chamber of Deputies. The Senate, along with the Chamber of Deputies, also elects the President. Not surprisingly, President Klaus, honorary chair of ODS, who has made no secret of his desire to be re-elected to a second term in

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2008, will wait until after the elections to select the next person to try and put together a government that can win a vote of confidence in the lower house. Marek Benda (ODS), a

member of the lower house since 1990, told post October 3rd that he felt ODS might win an additional 4 or 5 seats, enough to give it a majority in the Senate, which "would calm Klaus down for a while."

- 14. (U) In elections to the Chamber of Deputies, or lower house, candidates must be members of political parties or at least run on party tickets. Voters select parties rather than individuals, and all parties that receive more than 5% of the vote nationwide are given a percentage of the seats in Parliament. Candidates to the Senate, on the other hand, run as individuals for single constituency seats and needn't be on the ticket of any party. In addition, a majority system is used, with a second round of voting if no candidate receives more than 50% in the first round. This favors the larger parties, but also allows well-known individuals to run as independents. The list of Senate candidates includes a number of actors, singers, TV personalities, and an Olympic athlete.
- 15. (SBU) The Senate is currently dominated by ODS, which holds 37 seats. The next largest party, KDU-CSL, has only 14 seats; CSSD has 7. Jan Hamacek, CSSD deputy and Chairman of Chamber's Foreign Affairs Committee, thinks that in 15 of the 27 seats being contested, the second round will feature a CSSD-ODS duel. He thinks CSSD, which is only defending one seat, will win 4 or 5. Hamacek thinks that KDU-CSL will do very badly, losing several of the 7 seats they are defending. He thinks Senate Deputy President Petr Pithart (KDU-CSL) will win. Hamacek also thinks KDU-CSL also has good chances with a couple of candidates who are mayors in the largest city in their electoral districts. Benda told the Embassy he thought KDU-CSL might come away winning only one seat and exacerbate the party's "biggest crisis in years."
- 16. (SBU) If the two biggest parties do well in the Senate races, they will have constitutional (three-fifths)

majorities in both houses and will be able to change electoral laws to the detriment of the smaller parties, who are expected therefore to support each others candidates in the second round. Dzamila Stehlikova, Deputy Chairperson for the Green Party and Senate candidate in Chomutov, told post October 12 that she was convinced ODS and CSSD want to change the electoral laws and eliminate their smaller competitors. She explained that the concern is leading to unprecedented cooperation between small parties. In some races, small parties are even forming coalitions to take on candidates from the big parties in the first round. In Litomerice, for example, Foreign Minister Sasha Vondra is running as an independent on the ODS ticket against current Senator Zdenek Barta, who is representing both the Christian Democrats and the Greens, even though those parties have few ties at the national level. Hamacek thinks former MP Robert Kopecky, the CSSD candidate that is running against Vondra, will lose. Kopecky got only 19% in the last Senate race and failed to even make it to the second round. Vondra's fate in the crowded Litomerice field is uncertain. A victory in the Senate race would have no impact on his tenure as minister -which in any event will likely end in November if he is not part of the next cabinet (if he were to both win the Senate and continue as Foreign Minister, Vondra would not be eligible to serve on the Senate's Foreign and Security Committee).

17. (U) Another candidate of interest to Americans is Eliska Haskova-Coolidge. The daughter of a Prague banker who happened to be in the U.S. when the Communists took power in Czechoslovakia in a coup in 1948, she and her mother hastened to America, where she lived for the next 50 years. Haskova-Coolidge spent 18 of those years working in the White House, and an additional nine years at the State Department, where she became Assistant Chief of Protocol and an alternate representative to the OAS. She is running on the ODS ticket, but as an independent, for the seat in Domazlice, currently held by the retiring CSSD Senator, Petr Smutny. Hamacek doesn't think she will win due to her relatively weak ties to

local voters. She will face tough competition from Jaroslav Lobkowicz (KDU-CSL), a former two-term Parliamentarian and scion of one of Bohemia,s oldest noble families, and Jirina Rippelova (CSSD) an attorney and mayor of Susice, one of the largest towns in the electoral district.

- ¶8. (SBU) On the municipal level, the biggest race will be in Prague, where voters will choose from hundreds of candidates. ODS is expected to win big, but will still need another party or two to form a coalition to run the city and its various subdistricts. Current Mayor Pavel Bem (ODS), frequently mentioned as a potential Prime Minister, is almost certain to be re-elected (although this is not a direct election: mayors are chosen by the new city councils). ODS Deputy Benda even feels that ODS candidates are so certain of victory in Prague that the elections attract unethical individuals who see municipal politics as an easy path to personal wealth.
- 19. (U) One interesting aspect of the local ballot is that EU citizens who are permanent residents of the Czech Republic, but not Czech citizens, have, for the first time, the right to vote. The Green Party estimates that there are more than 43,000 people in this category and has worked hard to reach out to them in the belief that this expat constituency will be sympathetic to the party,s views. The Greens have produced an information booklet, in English, French and Polish, walking the non-citizens through the local voting process. It remains to be seen what role, if any, this group will play. In the 2004 elections to the European parliament, only 99 Europeans with long-term residency voted in the Czech Republic.
- 110. (U) Money plays an important role in any election and the local races here are no exception. Czech parties do not hold fundraising dinners, or rely on the personal wealth of candidates. Instead, parties receive reimbursement for each vote they collect, and stipends of 900,000 Crowns (US\$41,000) for each Senate seat they win. Success in one election provides resources for campaigns in later elections. ODS has the biggest coffers and consequently the most conspicuous campaigns. But following their success in the June elections, Green party candidates have money for posters, bus ads, office space and staff for the first time in the party, s existence. If the Christian Democrats do badly, they will not only lose several seats, but also the income they would need to rebuild for the future. SNK-ED, the merger of the European

Democrats and the Independents, which won 2.1% of the vote in the June poll, will try to win seats in Prague to survive as a party until the next attempt at the 5% threshold for representation in parliament. Four years ago, before the merger, ED came in second in Prague, with 15 seats, and should have received 15 million crowns (US\$650,000) from the state. The money was never paid, which certainly hurt the party,s chances in the June poll. On October 17, SNK-ED party leaders were alleging that state officials -- unnamed but allegedly close to Acting Finance Minister Vlastimil Tlusty (ODS) -- were willing to arrange the payment in exchange for a bribe of 3 million crowns (US\$130,000).

111. (SBU) COMMENT. The local and Senate elections will take place at the same time, though they have relatively little to do with each other. Local elections lead to municipal coalitions that would be inconceivable at the national level, such as those involving Communist councilmen. Individuals are chosen because they have shown the capacity to get things done. Senate elections are more like lifetime achievement awards, an honorary position that comes with few expectations or obligations, and much less of the partisan horse trading that goes on in the Chamber of Deputies. The Senate, with only one-third of its seats up for grabs, will not change a great deal. The Christian Democrats may lose a few seats and the Greens and the Social Democrats may pick up a few seats. But national policy will not be affected. The impact of the local and Senate races is more likely to be seen in the leadership of the parties, particularly the Civic Democrats

(ODS) who have their annual congress November 17-18, and the Christian Democrats (KDU-CSL), whose annual gathering will be in December. Members of the parties' central committees, who are openly discussing new leadership, could use mediocre results as a pretext for change. Since the personalities at the tops of these two parties will play important roles in the discussion on the next government, the Senate and local elections could indirectly affect the composition of the next national government as well. If ODS does very well, current party Chairman and Prime Minister Mirek Topolanek will have an easier time defending his leadership position, thus making it harder for President Klaus to choose anybody else from ODS to form the next government. If CSSD gets badly beaten by ODS, as some polls are predicting, CSSD will be less likely to want to pursue early elections to the Chamber of Deputies as a solution to the current political stalemate. END COMMENT. GRABER